

Message Text

CONFIDENTIAL

PAGE 01 TOKYO 12591 281042Z

44

ACTION AID-59

INFO OCT-01 EA-11 ISO-00 EB-11 IGA-02 OMB-01 TRSE-00

CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10

PA-03 RSC-01 PRS-01 SPC-03 SS-15 USIA-15 ACDA-19

IO-15 ABF-01 DRC-01 /192 W

----- 088725

R 280847Z SEP 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 7107

INFO AMEMBASSY VIENTIANE

C O N F I D E N T I A L TOKYO 12591

E.O. 11652: GDS

TAGS: EAID, EFIN, JA, LA

SUBJ: JAPANESE CONTRIBUTION TO FEOF

REF: A. STATE 189238; B. VIENTIANE 6621

SUMMARY: EMBOFF EXPLAINED USG THINKING OF FEOF TO FONOFF
REP AND URGED FORTHCOMING GOJ RESPONSE. FONOFF REP CONFIRMED
THAT GOJ HAS RECEIVED THREE REQUESTS FROM RLG CONCERNING
FEOF. GOJ CONSIDERING RELEASE OF ADDITIONAL FEOF FUNDS (BEYOND
\$ ONE MILLION) FOR VIENTIANE WATER PROJECT LOCAL COSTS. GOJ
ALSO CONSIDERING ADDITIONAL CONTRIBUTION TO COMPENSATE FOR
DOLAR DEVALUATION. GOJ NOT SERIOUSLY CONSIDERING ADDITIONAL
CONTRIBUTION TO HELP MEET 1973 SHORTFALL AT THIS TIME.

END SUMMARY.

1. DURING CONVERSATIONS SEPTEMBER 26 AND 28 WITH KAZUHARA,
DEPUTY HEAD, FIRST SOUTHEAST ASIA DIVISIOON, FONOFF, EMBOFF DREW
ON REFTELS TO EXPLAIN USG THINKING ON FEOF, STRESSING VITAL
IMPORTANCE OF ADDITIONAL GOJ CONTRIBUTIONS TO FEOF 1973 AND
1974.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 12591 281042Z

2. IN RESPONSE, KAZUHARA CONFIRMED THAT GOJ HAD RECEIVED

THREE REQUESTS FROM RLG CONCERNING FEOF CONTRIBUTIONS AND PROVIDED FOLLOWING RUNDOWN ON STATUS OF EACH:

A. USE OF FEOF FUNDS FOR LOCAL COSTS OF VIENTIANE WATER DISTRIBUTION PROJECT. GOJ UNDERSTANDS THIS PROJECT WILL COST MORE THAN HAD ORIGINALLY BEEN ESTIMATED. GOJ HAS RECEIVED A REQUEST FROM RLG FOR ADDITIONAL LOCAL COST FINANCING (BEYOND \$1 MILLION ALREADY PROMISED) AND IS CONSIDERING RELEASE OF ADDITIONAL FEOF FUNDS. HOWEVER, EVEN IF GOJ DECIDES TO MAKE ADDITIONAL RELEASE OF FEOF FUNDS FOR LOCAL COST FINANCING, AS REQUESTED, PRESENT THINKING IS THAT NO ADDITIONAL FEOF CONTRIBUTION WOULD BE MADE TO REPLENISH FEOF.

B. AN ADDITIONAL GOJ CONTRIBUTION TO FEOF TO COMPENSATE STATE FOR EFFECTS OF DOLLAR DEVALUATION. KAZUHARA EXPLAINED THAT ITEM IN GOJ BUDGET FOR CONTRIBUTION TO FEOF IS IN YEN, ALTHOUGH ACTUAL CONTRIBUTION IS IN DOLLARS. DUE TO CURRENCY REALIGNMENT, NOT ALL OF APPROPRIATED YEN REQUIRED FOR AGREED DOLLAR CONTRIBUTION. THESE UNUSED YEN FUNDS, HOWEVER, REVERT BY LAW TO THE BANK OF JAPAN. THUS, A NEW BUDGETARY REQUEST WOULD BE NECESSARY TO MAKE SUCH A COMPENSATORY CONTRIBUTION. GOJ IS CONSIDERING WHETHER TO MAKE SUCH A REQUEST.

C. ADDITIONAL FEOF CONTRIBUTION CY 1973 TO COMPENSATE FOR ANTICIPATED SHORTFALL. GOJ IS MAKING BEST EFFORTS TO SPEED UP REMAINING FEOF CONTRIBUTIONS FOR THIS YEAR, KAZUHARA SAID, BUT GOJ HAS RESERVATIONS ABOUT MAKING ADDITIONAL CONTRIBUTION. IN FIRST PLACE, HE SAID, ADDITIONAL CONTRIBUTION WOULD CAUSE FEOF TO EXCEED CEILING AGREED ON BY DONORS, AND THIS SHOULD NOT BE DONE LIGHTLY. IN SECOND PLACE, DONORS LONG TERM OBJECTIVE IS TO DECREASE SIZE OF FEOF,

AND ADDITIONAL CONTRIBUTION WOULD RUN COUNTER TO THIS GOAL.

IN THIRD PLACE, GOJ FEARS ADDITIONAL CONTRIBUTION WOULD HAVE ADVERSE EFFECT ON RLG SELF-HELP EFFORTS. IN RESPONSE TO CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TOKYO 12591 281042Z

EMBOFF'S FURTHER ARGUMENTS AND REBUTTALS (DRAWN FROM REFTEL B)

ZUHARA REPLIED THAT GOJ IS FULLY AWARE OF LAOTIAN CIRCUMSTANCES. GOJ NOT SERIOUSLY THINKING OF ADDITIONAL CONTRIBUTION AT THIS TIME, BUT INTENDS TO AWAIT FORMATION OF NEW GOVERNMENT. IF IT APPEARS THAT A COLLAPSE OF THE ECONOMY OR GOVERNMENT IS IMMINENT BECAUSE OF FEOF SHORTFALL, GOJ WILL SERIOUSLY CONSIDER AN ADDITION-

AL CONTRIBUTION.

3. CONCERNING POSSIBLE CONTRIBUTION TO FEOF CY 1974, KAZU-
HARA SAI

GOR WOULD LIKE TO OBSERVE PERFORMANCE OF NEW
LAO GOVERNMENT AND ASCERTAIN ITS POLICIES TOWARDS FEOF.
IF NEW GOVERNMENT SHOULD REQUEST FEOF CONTRIBUTION, GOJ
WILL CONSIDER THE REQUEST, DISCUSS THE MATTER WITH OTHER
DONORS, AND DECIDE ITS POSITION.

4. IN PARTING, KAZUHARA NOTED WRYLY THAT USG IS URGING
ADDITIONAL GOJ CONTRIBUTION CY 1973 AT SAME TIME USG SAYS
IT UNLIKELY TO MAKE ADDITIONAL CONTRIBUTION ITSELF.
INGERSOLL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 28 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TOKYO12591
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS INGRSOLL
Errors: N/A
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973092/aaaaaaxx.tel
Line Count: 129
Locator: TEXT ON-LINE
Office: ACTION AID
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A. STATE 189238; B. VIENTIANE 6621
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 16 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16-Nov-2001 by elyme>; APPROVED <18-Dec-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: JAPANESE CONTRIBUTION TO FEOF
TAGS: EAID, EFIN, JA, LA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005